## BUDGET ESTIMATES FOR 1113.

8. I shall now pass on to the budget estimates of the coming year. I would invite your attention to the memorable and comprehensive address delivered by the Dewan at the Joint Session of the Assembly and Council just a month ago, explaining in detail the policy and programme of Government in regard to all important matters, administrative, financial, industrial, commercial, agricultural, etc. The budget estimates embody proposals to implement the plans out-lined in the address as far as possible, having regard to the resources available and have been prepared on the basis of normal expectations in regard to the continuance of the present conditions.

9 The budget estimates for the next year have been prepared on the expectation of a total revenue of Rs. 249·48 lakhs and the programme of expenditure chargeable to the year's income has been fixed at Rs 246·88 lakhs, leaving a small surplus of Rs 2·60 lakhs. Capital receipts are expected to bring in Rs 4·01 lakhs and our programme of Capital expenditure on Non-productive works is estimated at Rs 39·32 lakhs, Productive works to the extent of Rs. 47·28 lakhs being provided under the Debt section of the budget. The anticipated Capital loss of Rs 1·58 lakhs on our investments in the Travancore Sugars is also proposed to be written off the accounts in the next year. We shall thus be drawing from our accumulated surplus, Rs 34·29 lakhs in the next year. In the result, the Government Account balance is expected to be reduced from Rs 74·61 lakhs to Rs 40·32 lakhs at the close of 1113. This is mainly due to the new system adopted in relation to Capital expenditure.

### REVENUE.

10. The budgeted revenue for the next year is Rs 249·48 lakhs as against the current year's anticipated revenue of Rs. 251·54 lakhs While improvement in revenue to the extent of Rs. 9·85 lakhs is expected under some of the revenue heads, a decline of Rs 11·91 lakhs is expected under others of which Rs 11·03 lakhs is under Customs revenue. The items which contribute to the increase are mainly Taxes on Income (1·71), Excise (2·26), Excise duty on matches (·77) Interest (1·62), Industries (·80), Currency and Mint (1·04), and Miscellaneous (·35). The increase under Income tax is expected mainly under Income derived from business and Supertax as a result of the revision of income-tax rates and the measures proposed to be adopted against evasion of payment of tax. Under Excise, improvement in revenue is expected both under Tobacco, and Abkari, and Opium to the extent of Rs 1·75 lakhs and Rs. ·51 of a lakh respectively. As a result of the special measures proposed to be adopted to check effectively smuggling of tobacco through the Northern Frontiers, it is expected that the increase in revenue estimated for the next year will be realised. Under Abkari and Opium, the expected increase is on account of the collection of a portion of the arrears of Excise revenue which now stand at Rs 9 lakhs. Under Excise duty on

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[Rao Bahadur A. Rangaswami Aiyar.]

matches, the anticipated increase is under contribution from the Government of India out of the pool of the receipts for the whole of India for the year ended March 1937. It may be mentioned that our share of the proceeds of this duty does not depend on the actual collections in this State, but on our total population. Interest receipts are expected to be better than the revised estimate by Rs 1·62 lakhs, due partly to the adjustment of interest on the growing capital outlay on the Pallivasal Hydro-Electric Scheme and partly to increased receipts from the Current and Fixed deposits in the Bank. The receipts anticipated on account of the sale of manufactured articles and raw materials in the Government Rubber Factory to the new Company recently floated and the Government's share of the profits in the working of the Travancore Sugars & Chemicals, Ltd., which is estimated at Rs 30,000, account for the increase under Industries. The new silver coins for the face value of Rs 2 lakhs for which orders have been placed with the Birmingham Mint in the current year are expected to arrive only early next year and will be credited in the accounts of 1113. The gain thereon and that on the minting of copper coins in the Government Mint, account for the increase under Currency and Mint. In connection with the contract for the supply of Penstock pipes for the Pallivasal Hydro-Electric Scheme, by a firm in Poland, the Polish authorities agreed to arrange for the purchase of a stipulated quantity of pepper from Travancore. On account of the failure to purchase the stipulated quantity of pepper, the Polish authorities have agreed to pay Rs 22,666 as compensation. It is proposed to credit the amount when realised to general revenues under Miscellaneous. This accounts for the anticipated increase under this major head.

The anticipated fall in revenue in the next year as compared with the revised estimate is under Customs (11·03) and Stamps (·64). Under the revised draft agreement in regard to the Cochin Harbour Scheme, the Travancore Government's share of the net receipts of the Harbour is only Rs 16½ lakhs so long as the net collections do not exceed Rs 63 lakhs. Deducting from this amount the duty on foreign tobacco and import duty realised in our ports from Munambom to Quilon, and taking credit for two instalments aggregating to Rs 1,47,319 due from the Cochin Government towards the refund of duty on Jaffna Tobacco already pooled for division during the years 1931-32 to 1934-35, the net revenue under this item for the next year is estimated at Rs 12·40 lakhs as against Rs 24·42 lakhs in the current year which included a special windfall of Rs. 6·84 lakhs on account of the refund by the British Government of the duty on tobacco referred to above. An improvement of Rs 1 lakh is anticipated in the ordinary Customs revenue. The institution of Debt Conciliation Boards is expected to result in a decrease of Stamp revenue to the extent of Rs ·64 of a lakh.

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